



North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate in September decreased to 3 percent from the August rate of 3.2 percent, as shown in North Central Idaho Table 1. In September 2006 the rate was 4.4 percent. Nonfarm payroll jobs in September increased by 90 from August. A majority of the new jobs were in the health care sector.

FOCUS ON UNEMPLOYMENT INSURANCE

Besides helping unemployed individuals and families transition from one job to another, unemployment insurance acts as an automatic economic stabilizer. When a business has to lay an employee off, unemployment benefits offset some of the effects of the worker losing a job and, in the case of major layoffs, limits the decline in spending power a community experiences. Unemployment insurance also promotes stability by making it possible for employers to retain workers during the off-season or a short downturn. Many seasonal industries would find it much more difficult to attract and retain employees if their workers could not rely on those weekly benefits to help support them through slack periods. In north central Idaho, \$7.8 million was paid out in benefits for the fiscal year that ended June 30, down \$380,000 from the previous year. For a breakdown of total payments and the number of weekly benefit checks issued in the region for fiscal years 2006 and 2005, see North Central Idaho Table 2 on page 17.

AREA DEVELOPMENTS

IDAHO AND LEWIS COUNTIES

Evergreen Logging has auctioned its equipment in Kooskia, marking the end of a business that logged exclusively for Clearwater Forest Industries. Both com-

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment Nez Perce County, Idaho and Asotin County, Washington

	Sep 2007*	Aug 2007	Sep 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	29,930	29,820	29,370	0.4	1.9
Unemployment	910	960	1,290	-5.2	-29.5
% of Labor Force Unemployed	3.0	3.2	4.4		
Total Employment	29,020	28,860	28,080	0.6	3.3
<i>Unadjusted</i>					
Civilian Labor Force	29,660	29,540	28,670	0.4	3.5
Unemployment	760	890	960	-14.6	-20.8
% of Labor Force Unemployed	2.6	3.0	3.3		
Total Employment	28,900	28,650	27,710	0.9	4.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	27,560	27,470	27,560	0.3	0.0
<i>Goods-Producing Industries</i>	4,890	4,920	4,940	-0.6	-1.0
Natural Resources & Mining	220	220	260	0.0	-15.4
Construction	1,640	1,690	1,540	-3.0	6.5
Manufacturing	2,980	3,010	3,140	-1.0	-5.1
Wood Product Manufacturing	540	550	560	-1.8	-3.6
Paper Manufacturing	1,100	1,100	1,110	0.0	-0.9
Other Manufacturing	1,340	1,360	1,470	-1.5	-8.8
<i>Service-Providing Industries</i>	22,670	22,550	22,620	0.5	0.2
Trade, Transportation & Utilities	5,470	5,530	5,400	-1.1	1.3
Wholesale Trade	680	670	660	1.5	3.0
Retail Trade	3,560	3,610	3,570	-1.4	-0.3
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,140	1,160	1,080	-1.7	5.6
Information	410	410	430	0.0	-4.7
Financial Activities	2,070	2,100	2,030	-1.4	2.0
Professional & Business Services	1,650	1,640	1,630	0.6	1.2
Education & Health Services	4,510	4,450	4,380	1.3	3.0
Leisure & Hospitality	2,570	2,640	2,550	-2.7	0.8
Other Services	1,160	1,180	1,120	-1.7	3.6
Government Education	2,150	1,950	2,300	10.3	-6.5
Government Administration	1,910	1,870	2,100	2.2	-9.0
Government Tribes	760	780	680	-2.6	11.8

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

panies had the same owners. All but about two of the company's 15 employees have found other employment in the weeks since the decision was made to close Evergreen, said Robert Krogh, president of Clearwater Forest Industries. Few young people are entering logging, which creates more opportunities for those skilled in the trade, Krogh said. "The marketplace is so hungry for good, experienced loggers

North Central Idaho Table 2: Unemployment Insurance Payments by Number of Claims and Dollars Paid

Number of Weeks Paid			Dollar Amount Paid			
State Fiscal Year			State Fiscal Year			
County	2007	2006	Change	2007	2006	Change
Clearwater	5,884	6,307	-423	\$1,505,186	\$1,556,609	-\$51,423
Idaho	8,736	9,143	-407	\$2,088,991	\$2,129,697	-\$40,706
Latah	6,635	7,691	-1,056	\$1,703,822	\$1,873,730	-\$169,908
Lewis	552	479	73	\$122,003	\$113,184	\$8,819
Nez Perce	10,282	11,521	-1,239	\$2,394,888	\$2,521,816	-\$126,928
Total North Central Idaho	32,089	35,141	-3,052	\$7,814,890	\$8,195,036	-\$380,146

everybody had a job immediately." The change has made it possible for loggers to work closer to home instead of spending their work weeks in the McCall-New Meadows area, where Evergreen Logging was operating to feed Clearwater Forest Industries' mill near New Meadows, Krogh said. Evergreen Logging was paying room and board for the workers from the Kooskia-Kamiah area, Krogh said, making it "a lot cheaper to hire local loggers." The move has no impact on the mill operations of Clearwater Forest Industries in Kooskia, which employs about 25. The workers run a boiler, dry kilns and planers to finish rough boards and lumber that is trucked to Kooskia from the New Meadows area sawmill. Clearwater Forest Industries employed about 60 in Kooskia until it stopped running a sawmill there in 2006. Krogh said no additional cut-backs will be made to the Kooskia operation. The labor supply in New Meadows is tight because of all the construction surrounding the Tamarack ski resort, Krogh said. "We have a very, very experienced crew (in Kooskia) that gets the job done. We wouldn't want to do anything to upset the applecart."

LATAH COUNTY

- Wheat growers on the Palouse saw below-average yields this season, but record-high prices — above \$10 a bushel — means farmers aren't taking a hit in their pocketbooks. "Do the math," said Joseph R. Anderson, president of the Latah County Grain Producers. The prices "more than made up for" lower yields. Anderson said farmers growing winter wheat in Latah County averaged 75 to 80 bushels per acre compared to the typical 90. The lack of rainfall — four to five inches below normal — contributed to the lower yields. Washington Wheat Commission Vice President Glen Squires said growers in Whitman County averaged 64 bushels per acre, slightly below previous yields. Anderson said most farmers won't benefit from the skyrocketing wheat prices since the majority sold their crops when the prices reached then-record highs of \$6 to \$7 per bushel. "That was kind of a lifetime high in itself," Anderson said. "I didn't believe it

when it hit \$7." Squires said he never could have predicted the prices would reach \$10 a bushel, and with world supply still low because of drought conditions in other wheat-growing areas like Australia, the trend should continue. With reports of worsening conditions in Australia, Squires said all indications point to prices continuing to increase. Squires said the record-high prices of wheat have been a welcome relief from ever-increasing expenses. The high cost of fuel, fertilizer and other essentials continually eats away at profits, and farmers have had a difficult time remaining profitable. Anderson said he expects the price of wheat to have the negative consequence of inflating expenses and land values, and if the past is any indication, expenses won't fall when the price of wheat does.

- During a Moscow Civic Association forum last month, participants encouraged attracting and retaining high-tech companies as a key to Moscow's economic future. Robin Woods, president of Alturas Analytics in Moscow, said 100 percent of her bio-tech business comes from outside Idaho, most of it from the San Francisco Bay Area. Yet she and her partners opted to locate here because of the quality of life. David Alexander, a University of Idaho graduate and chief executive of Ivus Industries in Moscow, said the city is an ideal location for entrepreneurs to tap into a high-tech labor pool available from both the University of Idaho and neighboring Washington State University in Pullman. Judy Brown, an economist and director of the Idaho Center on Budget and Tax Policy, said research shows if a community creates a good living environment, jobs will come. What attracts entrepreneurs and businesses to an area, Brown said, is quality of life, not tax breaks. "Quality of life and the ability to work either from home or near home," she said, "are the two really key things in deciding where people locate those kinds of businesses"

NEZ PERCE AND ASOTIN (WA.) COUNTIES

- North central Idaho employers, especially those in Lewiston and Moscow, keep a close eye on the minimum wage in the state of Washington. Already the highest in the country, Washington's minimum wage will again increase 14 cents to \$8.07 an hour beginning Jan. 1. The Washington Department of Labor and Industries recalculates the state's minimum wage each year in September to reflect changes in the federal Consumer Price Index for Urban Wage Earners and Clerical Workers during the 12 months through Aug. 31. The national index covers the cost of goods and services needed for day-to-day living. It increased 1.8 percent during the last 12-month period compared to a 3.9 percent increase during the same period in 2006. That led to a 30-cent increase for 2007.

Washington's minimum wage applies to workers in both agricultural and non-agricultural jobs, although 14- and 15-year-olds may be paid 85 percent of the adult minimum wage. Increases in the minimum wage in Washington usually prompt higher entry-level wages in north central Idaho border communities because employers compete for the same labor pool. The Idaho minimum wage increased to \$5.85 on July 24. It was the first of three 70-cent increases over the next two years. The minimum wage goes to \$6.55 an hour on July 24, 2008, and to \$7.25 an hour on July 24, 2009.

Doug Tweedy, Regional Economist
1158 Idaho St., Lewiston, ID 83501
(208) 799-5000 ext. 3511
E-mail: doug.tweedy@labor.idaho.gov

Panhandle News *(continued from Page 14)*

- Tattoo artist Paul Beaman opened The Ink Spot in Uptown Kellogg last month. The shop offers free-hand custom tattoos as well as designs from tattoo booklets. He expects to offer piercing soon.
- The Idaho Department of Environmental Quality did complete remediation of another 400 yards in the Silver Valley. Yard remediation within the 21-square-mile area around Smelterville that had the highest contamination of mining waste in the Silver Valley was finally completed this year. The topsoil on many private properties outside the area remains contaminated by lead, arsenic and other heavy metals. The process involves removing soil contaminated by decades of toxic mine waste and replacing it with unpolluted soil. Since the program began in 2002, 1,750 properties have been cleaned. About 200 people work for the program each year, which draws about \$12 million annually from federal funds.
- The federal Superfund's Institutional Controls Program extends this month from the 21-square-mile area around Smelterville into a basin from Mullan to the mouth of Lake Coeur d'Alene. The Panhandle

Health District established the program to ensure the barriers separating the 12 inches of clean top soil and the underlying contaminated soil remain intact. By following the program's regulations, contractors are assured their work in contaminated areas does not disturb any barriers, homeowners can remain confident their remediated properties stay that way and banks no longer are wary of doing business on potentially contaminated ground. This will make it easier to sell property, acquire bank financing or float bonds. So far mining companies and the federal government have spent \$200 million to clean the Superfund site in the Silver Valley, which has included cleaning former mining sites, cleaning up mine wastes along the railroad corridor and transforming it to the Trail of the Coeur d'Alenes and restoring streams and wildlife habitat.

Kathryn Tacke, Regional Economist
1221 W. Ironwood Drive, Coeur d'Alene, ID 83814
(208) 769-1558 ext. 3984
E-mail: kathryn.tacke@labor.idaho.gov